Huaxin Cement Co., Ltd.
Announcement on Domestic Operation of Changing Listing Venue for Domestic Listed Foreign Shares and the Listing and Trading on the Main Board of The Stock Exchange of Hong Kong Limited by Way of Introduction

The board of directors and all directors of the Company confirm that there are no false records, misleading statements or material omissions in the content of this announcement, and assume individual and joint responsibility for the authenticity, accuracy and completeness of its content.

Special Note:

1. After Huaxin Cement Co., Ltd. (hereinafter referred to as the "Company") is listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") after the changing of listing venue for the B shares to the Stock Exchange of Hong Kong by way of introduction (hereinafter referred to as "Huaxin B to H"), domestic investors (referring to domestic investors who trade through the trading system of domestic brokers) and domestically trading overseas investors (referring to those who have not directly opened a H-share account with an overseas broker and continue to trade through the domestic broker's trading system) can trade the converted H shares through the original B-share securities account through a securities company that supports the B-to-H business, but can only declare a selling and cannot declare a purchase; domestically trading overseas investors need to handle designated transactions. The stock name of which domestic investors and domestically trading overseas investors will trade is "Huaxin H Dai", and the stock code is "901033". Non-domestically trading overseas investors (referring to those who have opened a H-share account with an overseas broker, and the converted H-shares have been transferred to the account and traded through overseas brokers) can directly buy or sell H shares according to the trading rules of the Hong Kong Stock Exchange. The H shares are referred to as "Huaxin Cement" and the H share stock code is "6655".

2. For domestic investors, the converted H shares are still registered in the investor's original B share account. In order to ensure smooth transactions

after the conversion of B to H in the future, investors need to confirm with the designated broker whether they suggest the declaration of selling of H shares after conversion. For those with brokers support the transaction, investors can participate in H share trading from the first day of H share listing. For brokers that do not support it, investors can transfer the B share account for designated transactions to a broker that supports the sale of H shares after the conversion (please refer to the attachment for the specific list).

3. Since domestic brokers have different trading systems, business management regulations and business processes, this Announcement is only for general operation reference. The actual operation and procedures should be subject to the relevant regulations of brokers for investors to open accounts. The Company reminds investors that they should fully understand the specific requirements and regulations of Huaxin Cement's B-to-H related business before handling relevant transaction.

4. Since Huaxin Cement H shares have never been traded on the Hong Kong Stock Exchange before, on the first day that Huaxin Cement H shares are listed on the Main Board of the Hong Kong Stock Exchange, there will not be closing price data of the previous trading day. After the market closes on the first day, there will not be data of change of price from closing price of previous trading day. Starting from the second trading day, there will be data of the closing price of the previous trading day and the data of the daily price change.

A. Domestic investors need to confirm whether the designated broker supports the application to sell the converted H shares

For domestic investors, the converted H shares are still registered in the investor's original B share account. In order to ensure smooth transactions after the conversion of B to H in the future, investors need to confirm with the designated broker whether they suggest the declaration of selling of H shares after conversion. For those with brokers support the transaction, investors can participate in H share trading from the first day of H share listing. For brokers that do not support it, investors can transfer the B share account for designated transactions to a broker that supports the sale of H shares after the conversion (please refer to the attachment for the specific list). If an investor wishes to participate in the trading on the first day of listing of H shares, it is advised to finish the designated transaction quickly; if an investor has an outstanding B-to-H order that has been declared but not settled, he/she cannot cancel or amend the B shares order.

B. Guidelines for Cross-border transfer of custody

Overseas investors can apply for transferring custody of shares held by them from domestic brokers to overseas brokers (i.e. "cross-border transfer of custody"). Domestic investors (including domestic investors and overseas investors who do not choose cross-border transfer of custody) can only sell, but not buy the Company's H shares. After oversea investors completed the cross-border transfer of custody, they can buy or sell the Company's H shares in accordance with the general H share trading rules without transaction restrictions.

I. Cross-border transfer of custody process

Before applying for cross-border custody of transfer, overseas investors should open a securities trading account with any securities company or custody bank in Hong Kong, and fill in the relevant information of the securities account when applying for custody transfer. The specific process of cross-border transfer of custody is as follows:

(1) The investor shall submit the application for cross-border transfer of H shares to the securities company designated for trading or the designated custodian bank for settlement with the identity document.

(2) After the securities company or the custodian bank has verified that it is correct and verified that the cross-border transfer custody shares declared by the investor have no rights flaws (including but not limited to judicial freezing, share pledge, etc.), fill in the “Application form for cross-border transfer of custody of H Shares” and the cross-border transfer custody detailed data file and submit the transfer custody application to China Securities Depository and Clearing Corporation Limited through its registered mailbox in China Securities Depository and Clearing Corporation Limited.

II. Precautions for cross-border transfer of custody

Overseas investors who have not opened a securities trading account with a Hong Kong securities company or a custodian bank cannot conduct the cross-border transfer of custody. Investors who apply for cross-border transfer of custody shall not trade or transfer the shares declared for cross-border transfer of custody.

If the investor's securities account balance is less than the number of cross-border transfer custody applications, the securities account cross-border transfer of custody application becomes invalid.

If investors and securities companies want to know the specific operation instructions for cross-border transfer of custody, please read carefully the " Announcement on the Cross-border Transfer Related to the Domestically Listed Foreign Shares Changing the Listing Venue and Listed on the Main Board of Hong Kong Stock Exchange Limited By Way of Introduction” (Announcement ref: 2022-010) published on 4th March 2022.

C. Domestic operation guidelines for investors

After Huaxin Cement's B-to-H conversion, the Company's H-share domestic transaction declaration stock code is 901033, and the stock name is Huaxin H Dai. domestic investors and domestically trading overseas investors can trade the converted H shares through the original B-share securities account through a securities company that supports the B-to-H business, but can only declare a selling and cannot declare a purchase; domestically trading overseas investors need to handle designated transactions. Non-domestically trading overseas investors can directly buy or sell H shares in accordance with the trading rules of the Hong Kong Stock Exchange.

After Huaxin Cement B-to-H, the main transaction rules for submitting transactions are as follows:

I. Trading hours of H shares after conversion

The trading hours of non-domestically trading overseas investors are consistent with the trading hours of H shares, which are 9:00-9:30, 9:30-12:00 am and 13:00-16:00(continuous trading time) pm, 16:00-16:10 on the trading day of the Hong Kong Stock Exchange.

The trading hours for domestic investors and domestically trading overseas investors are 9:15-11:30 am, 13:00-15:00 pm on the joint trading day of the Hong Kong Stock Exchange and Shanghai Stock Exchange for B shares. From 15:00-16:00 pm, new trading orders cannot be submitted and orders cannot be canceled, but the orders for uncancelled orders on the day are still valid, and transaction report can still be received.

II. Processing of transaction orders

The trading orders of domestic investors and domestically trading overseas investors are transmitted during the common trading hours of the Shanghai Stock Exchange and the Hong Kong Stock Exchange. When the Hong Kong Stock Exchange suspends trading, the H-share transaction declaration is also suspended. In order to match the orders in the continuous trading phase of H shares, investors apply for limit orders in the B shares account, and then the overseas agent brokers will convert them into H shares orders and submit them to the Hong Kong Stock Exchange in accordance with the relevant rules of the Hong Kong Stock Exchange.

The specific transaction orders of domestic investors and overseas investors for domestic transactions are handled in the following ways:

From 9:15 to 9:30, a sell order can be entered, and there is no transaction report during this period. The order is temporarily stored in the trading system of the Hong Kong securities company, and all temporarily stored orders are sent to the Hong Kong Stock Exchange at 9:30;

9: 30-11: 30, 13: 00-15: 00: sell orders can be entered, there is transaction reports, and the outstanding orders can be cancelled;

From 15:00 to 16:10, new trading orders cannot be submitted or cancelled, but sell orders that are not cancelled on the day are still valid, and trading report can still be received.

The status of suspension and resumption of trading is subject to the actual status of trading suspension and resumption of the Hong Kong Stock Exchange. Investors can obtain information on suspension and resumption of trading in H shares through the trading market.

At the same time, in the event of a typhoon, black rainstorm or other circumstances stipulated by the Hong Kong Stock Exchange, the Hong Kong Stock Exchange may suspend the trading of the stock market. Investors will not be able to sell H shares during the suspension period, and the settlement will be arranged according to the arrangement under special weather of the Hong Kong Stock Exchange.

III. Types of orders that can be placed

After Huaxin Cement B is converted to H, only non-domestically trading overseas investors can place auction orders. Domestic investors and domestically trading overseas investors cannot place auction orders, but only limit orders.

IV. Limits on rise and fall

There is no daily price limit for H share trading.

V. Intra-day turn-around transaction system

H shares are settled by T+2 and can be traded on the same day, and the number of times is unlimited. For stocks that accept “short selling” (such as large blue-chip stocks), you can sell first and then buy.

Domestic investors and domestically trading overseas investors can only continue to hold or sell the converted H shares, so they cannot conduct intra-day turn-around and short-selling transactions. Only non-domestically trading overseas investors can conduct intra-day turn-around transactions according to this rule.

VI. Minimum price unit

H shares do not have a uniform trading price, and the minimum price unit varies with the price range of the stock when it is listed, as shown in the following table:

H-share minimum fluctuation price reference table

Unit: Hong Kong dollar

Security Price Range	Minimum price unit
0.01-0.25	0.001
0.25-0.5	0.005

0.5-10	0.01
10-20	0.02
20-100	0.05
100-200	0.1
200-500	0.2
500-1,000	0.5
1,000-2,000	1
2,000-5,000	2
5,000-9,995	5

VII. Valid price range for sell orders

The order price cannot exceed the acceptable range of the Hong Kong Stock Exchange when placing an H share trade order, otherwise the trade order will be automatically cancelled. The valid price range for domestic investors' H-share sell transaction orders is the valid price range for transaction orders determined based on the minimum price unit on the basis of the current transaction price.

Please refer to the website of the Hong Kong Stock Exchange for detailed details on the price range in the trading rules of the Hong Kong Stock Exchange.

VIII. Odd lot

The minimum unit for stock trading on the Hong Kong Stock Exchange is one board lot, and the size of a board lot of each listed security is determined by the issuer. For details, please refer to the information disclosed by the listed company. Securities with a balance of less than one lot are called "odd lot" in the Hong Kong market. There is a special market in the Hong Kong Stock Exchange to provide odd lot trading.

After the conversion, the minimum order quantity for Huaxin Cement H shares is 100 shares per lot, and the balance of less than 100 shares is an odd lot.

The odd shares held by investors must be sold at one time, and the number of odd shares held can be sold separately or together with the number of whole shares. Example: An investor holds 120 H shares after conversion, of which 20 are odd shares. Investors can declare to sell 120 shares at one time, or they can declare to sell 100 shares and 20 shares respectively, but they cannot declare to sell 110 shares and 10 shares respectively.

Investors need to be aware that, generally speaking, the odd lot market will be priced slightly lower than the price of the same share in the full unit market due to the low liquidity. Therefore, if you place order to sell odd lots at the market price, there is a possibility that you cannot sell at the market price. In order to increase the probability

of odd lot transactions, investors can sell the odd lot shares they hold after Huaxin Cement B-to-H by placing an order at a price slightly lower than the market price, such as 85%-90% of the market price.

D. Explanation on the quotation of Huaxin Cement's H shares on the first day of listing

Since Huaxin Cement H shares have never been traded on the Hong Kong Stock Exchange before, on the first day that Huaxin Cement H shares are listed on the Main Board of the Hong Kong Stock Exchange, there will not be closing price data of the previous trading day. After the market closes on the first day, there will not be data of change of price from closing price of previous trading day. Starting from the second trading day, there will be data of the closing price of the previous trading day and the data of the daily price change.

It is herewith announced.

Board of Directors
Huaxin Cement Co., Ltd.
26th March 2022